

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C2-21-15
Baltimore, Maryland 21244-1850



Division of Integrated Health Systems/Family and Children's Health Programs
Group/Center for Medicaid and State Operations

January 10, 2003

Gail L. Margolis, Deputy Director
Medical Care Services
Department of Health Services
714 P Street, Room 1253
Sacramento, CA 95814

Dear Ms. Margolis:

I am writing to inform you that California's request to renew its existing waiver under the authority in Section 1915(b)(1) and (4) of the Social Security Act (the Act) is hereby approved to continue operation of the Santa Barbara Regional Health Authority (SBRHA) waiver program. It allows California to contract with SBRHA to provide the full scope of Medi-Cal benefits to all qualifying Medi-Cal beneficiaries residing in Santa Barbara County. The State is granted ongoing waivers of Sections 1902(a)(1) - Statewide; 1902(a)(10)(B) - Comparability of Services; and 1902(a)(23) - Freedom of Choice. Please note that your request to waive the Single State Agency under Section 1902(a)(5) is not approved. A waiver of this section is not needed for the State to negotiate its contract with the health plan. In addition, this approval allows the SBRHA waiver program to assume both the administrative and now financial responsibilities for the Child Health and Disability Prevention (CHDP) program.

We acknowledge the State's clarification regarding that the base year methodology is the same as the previous waiver period. The waiver submission incorrectly referred to "non-managed care county base year data." We accept the State's corrected cost-effectiveness narrative to reflect "statewide base year data", and that your upper payment limits and resulting cost effectiveness calculations were correct as originally submitted.

We also note that the SBRHA waiver program will need to be amended in order to comply with the Medicaid managed care final regulations published in June 14, 2002. States have until August 13, 2003 to have these regulations fully implemented. In order to meet this date, the State must submit a waiver modification request no later than April 13, 2003, indicating how it will comply with the August 13th deadline.

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After extensive analysis and review of your request for a waiver renewal, I am approving your request for the period effective January 12, 2003 through January 11, 2005. Approval of this waiver request is in accordance with the requirement that the program has met statutory and regulatory requirements for access to care and quality of services, and will continue to be a cost-effective means of providing health care services to Medi-Cal beneficiaries residing in Santa Barbara County.

We thank you and your staff for their cooperation and assistance during the review process. If you have any questions, please feel free to contact Linda Minamoto in the CMS San Francisco Regional Office, Division of Medicaid at (415) 744-3568.

Sincerely



Mike Fiore
Director

cc: Linda Minamoto, CMS, Region IX
